



WENDECE HOMBOLO WINERY INDUSTRY

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WENDECE HOMBOLO WINERY INDUSTRY

BUSINESS PLAN

YEAR: 2023

Prepared by: Management of WENDECE Hombolo Winery Industry Ltd

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Table of Contents

1. Introduction.....	3
1.1. Why Invest in Winery Value Chain.....	3
2. OWNERSHIP OF THE INDUSTRY	4
3. MANAGEMENT OF THE INDUSTRY.....	4
4. BUSINESS ANALYSIS	5
5. MARKETING PENETRATION STRATEGY	5
6. TECHNOLOGY AND OPERATIONS PLAN (MACHINE AND TANKS).....	6
6.1 Applied technology/machines to be used	6
7. EXISTING INVESTMENTS	6
7.1 Installed Capacity of existing infrastructure.....	Error! Bookmark not defined.
7.2 Existing Investment in Land and Building at the Farm.....	7
8. SOCIO AND ECONOMIC IMPACT	7
9. CHALLENGES AND MITIGATION STRATEGY	9
10. FINANCIAL ANALYSIS	9
11. ACKNOWLEDGEMENT	10

1. Introduction

WENDECE Hombolo Winery Industry as a private company is a standard, duly registered, and licensed with BRELA (registration certificate attached) as a middle winery business that is determined to serve its customers with quality products. The company has started registration process with Tanzania Bureau of Standards (TBS). The company is located in Hombolo Bwawani in Dodoma region; where by the owners of the company has obtained the necessary permits to localize the facility in the chosen location. The facility location is such that is strategically chosen based on easy accessibility by customers, and nearness to source of raw materials. WENDECE aspires to become the number one middle winery business in Tanzania and beyond. WENDECE wishes its products to be sold not just in Dodoma but also, in all of the Tanzania Republic and East African Countries. WENDECE group is committed to employ the right employees and apply the appropriate technology and marketing strategies.

WENDECE's is enthusiastic to become a standard middle winery business that focuses on producing a variety of assorted wines that cater for both high-income earners as well as low-income earners in the Tanzania and beyond. It intends to enable customers to be able to rank the business as the leading winery industry in Tanzania. Moreover, WENDECE company, as a winery business that will be established and nurtured into a very competitive winery business in the industry, in Tanzania. The company is devoted to hire the right employees that will support the business to help grow it into our envisioned desire. Some of the qualities we will look for in prospective employees are honesty, committed, innovative and good work ethic. WENDECE group wishes to invest in winery value chain in Hombolo Bwawani in Dodoma region.

1.1. Why Invest in Winery Value Chain

Recently in Dodoma, grapes production has increased manifold. Many grape farmers are witnessed in Hombolo, Mpunguzi, msalato and Chamwino and other places. The increased production of grapes has widened the market of grapes to production of wines. This has caused customers to shift their beverage preference from the typical beers to drinking of a

variety of wines. Despite the huge cultivation and production of grapes, most of the grape farmers in Dodoma are facing various challenges including lack of reliable markets. The challenges can be minimized by having a middle winery industry in the area capable of producing quality wines and wine products.

The reasons for investing in winery value chain are manifold. First, there is reliable mass production of grapes in Dodoma, which informs availability of raw materials for industry operation. Secondly, many winery producers are still fragmented and the produced wines are not in the required standards. In addition, many local wineries in Dodoma region are producing a variety of wines, mostly for lower and average income earners respectively. Going forward, this trend will definitely continue so need a formal industry capable of processing grapes and producing wines that meet the demands of all categories of customers.

In this endeavor, WENDECE wishes to invest in winery value chain in Hombolo Bwawani and invest in grapes and winery production to contribute to industrial development and hence participate effectively in economic transformation of Tanzania. WENDECE group is committed to produce quality winery products that will be sold all over Tanzania and beyond. It is committed to offer a variety of products and services such as growing and blending of wine grapes, production of different brands of wines, bottling and whole selling and retailing of wines. To accomplish this objective, WENDECE requires financial assistance in terms of loan from financial institutions.

2. OWNERSHIP OF THE INDUSTRY

WENDECE Bwawani Winey Industry is a registered company jointly owned by two individuals Mr. Evarist Majuto Maganga, and Ms. Christiana Daudi Pesambili. The owners share the same characteristics as grape farmers and have devotion in establishing a vibrant winery industry in Hombolo Bwawani.

3. MANAGEMENT OF THE INDUSTRY

WENDECE Hombolo Winery Industry Ltd will be a middle winery business that will be established and nurtured into a very competitive winery business in the industry, in Tanzania. To establish the business' vision, WENDECE is committed to hire the right employees that will support the business to grow into the envisioned desire of the company. Some of the

qualities the company will look for in prospective employees are honesty, committed, innovative and good work ethic.

Mr. Evarist Majuto Maganga, and Ms. Christiana Daudi Pesambili will be the managing directors of WENDECE Winery Industry Ltd. He possesses a wealth of experience in the industry (Curriculum Vitae attached). Competent individuals depending on the needs will fill the other positions.

4. BUSINESS ANALYSIS

4.1 The main products produced by WENDECE Hombolo Winery Industry is wine juice

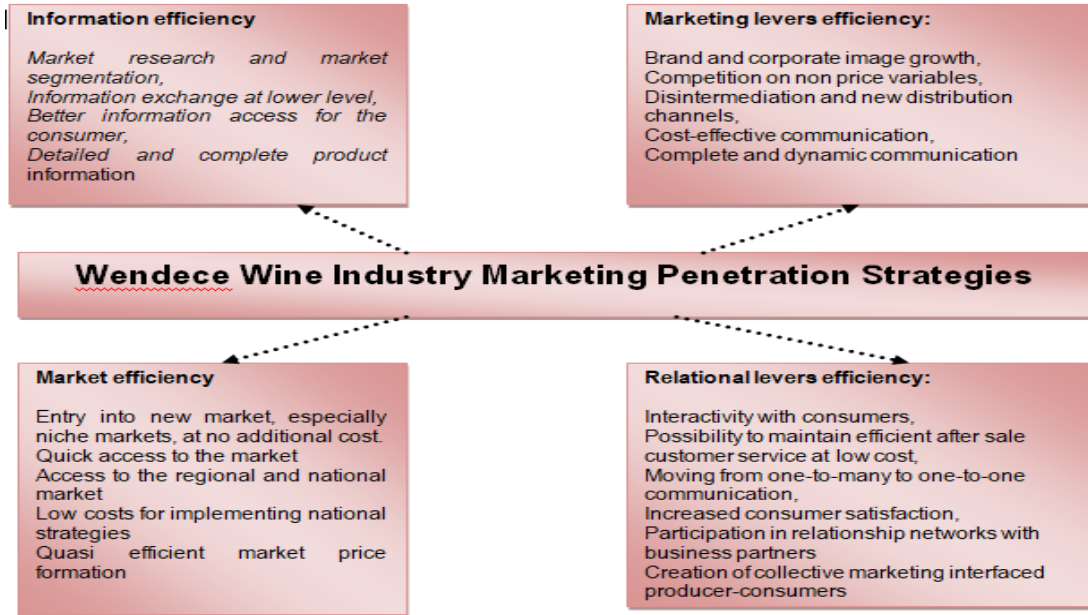
4.2 Currently the company has the capacity of installing 100,000 liters of wine

4.3 Details of WENDECE Winery Industry Competition

The company is operating in competitive environment. The state of competition is not too strong, because of demand of wine caused by increase of Dodoma city as the result of the decision made by the 5th government to make Dodoma city to be capital city of Tanzania. Main competitors of our company are; Aliko Vinage, CETAWICO, and other local winery producers

5. MARKETING PENETRATION STRATEGY

The model bellow illustrate how WENDECE Hombolo Winery Industry Ltd is applying market penetration strategy against its competitors



6. TECHNOLOGY AND OPERATIONS PLAN (MACHINE AND TANKS)

6.1 Applied technology/machines to be used

Currently the company is using local technology. Production of wine juice is conducted by using local compressor, and the juice is stored in sim-tanks for further fermentation process. WENDECE is striving to have updated machines and tanks to increase production capacity and storage facilities. The company is intending to secure loan for the purchasing of new tanks, as they are long-lived assets, it is more typical to have the tank financing included in the winery construction.

7. EXISTING INVESTMENTS

7.1 Project capacity

Storage infrastructures are ones of main issues that WENDECE Hombolo Winery Industry Ltd is intending to invest heavily. Currently the company has the capacity of installing 100,000 liters of wine. WENDECE is striving to have updated machines and tanks to increase production capacity and storage facilities to the maximum of 500,000 liters in five years' time. The company is intending to secure loan for the purchasing of new tanks, as they are long-lived assets, it is more typical to have the tank financing included in the winery construction. Also, fund is needed to build houses for the wine storage area.

7.2 Job creation

The project will create opportunity for employee 12 people means 2 of them will be foreign and 10 will be local

7.3 Source of supply inputs

The company/ project have 4 hector of raw material, and it had agreements with farmer from matumbulu and Handari. Therefore the project will collect raw material within Dododma region..

7.2 Existing Investment in Land and Building at the Farm.

WENDECE Hombolo Winery industry ltd is possessing of land with the size 4528 Square meter. Currently, the company has no its own building.

Investment Break Down

S/N	ITEM	Total Cost
01	Land	150,500,000/=
02	Working capital	105,467,330/=
03	Plants	87,000,000/=
04	Building	55,000,000/=
05	Equipments	57,082,670/=
	Total Cost	400,000,000/=

Source of Fund required for implementation of the project

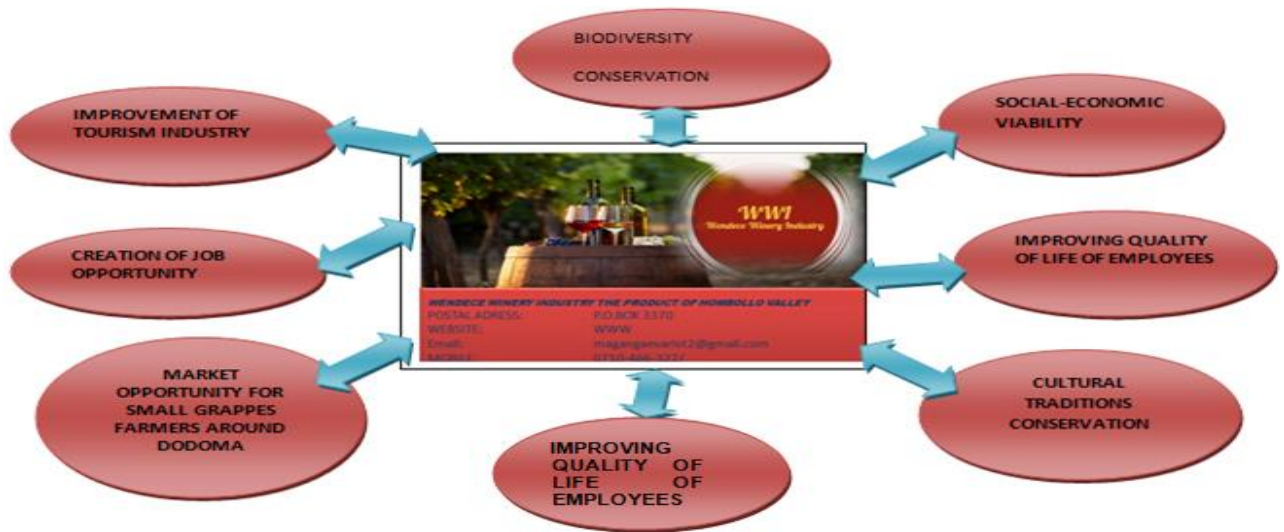
01	From Personal Savings	400,000,000/=
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8. SOCIO AND ECONOMIC IMPACT

WENDECE Winery Industry will provide enormous economic benefit for economies through its earnings from sales, employment and economic growth. Whereas, on a smallholders who under grapes farming nearby the project will get an advantage of selling their grapes to WENDECE Winery Industry. Addition, wine tourism; an offshoot of the wine industry has become an industry in itself, contributing economic advantage to tourism industry. Moreover, WENDECE Winery Industry will create a substantial number of jobs. The operation of the

company in collaboration with the grape farming activities around the company; will assist on landscape care protection, and biodiversity conservation.

Below is the figure indicating the summary of social and economic impact of the project that will be executed by WENDECE Winery Industry



Operation of WENDECE Winery Industry will assure small grappes farmers around Dodoma to have a point for selling their grapes

9. CHALLENGES AND MITIGATION STRATEGY

Regardless of potentiality of winery industry, WENDECE Winery Industry just like other small scale industry is facing production, processing and marketing problems such as inadequate product quality, few processing plants or winery industry, low price, low incentives, low output, unreliable rainfall for grapes, insufficient plants and machines for production process, shortage of buying posts, lack of marketing knowledge, late payment from creditors, low labour productivity, lack of enough fund to conduct market research, poor infrastructure and poor-harvest management.

The company is eagerly looking ahead proper strategies of mitigating the above challenges. The company has therefore decided to secure loan from banks that will assist on talking the said challenges. It has also decided to seek for professionals, particularly on the following disciplines: marketing, entrepreneurship, management, human resources, and winery professionals. The company is also seeking legal assistance from government agencies.

In order to secure, more market the company will concentrate on seeking a variety of opportunities to market its product. Here's a short list of some local businesses and organizations that can help to create new customers; Wine stores, Wine clubs, Caterers, Wedding planners, Restaurants, Realtors, Chamber of commerce, Builders, Homeowners associations, Country clubs, Apartment communities etc.

10. FINANCIAL ANALYSIS

WENDECE WINERY INDUSTRY COMPERATIVE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER , 2020, 2018, AND 2022

	2020 (Tshs)	2021 (Tshs)	2022(Tshs)
Sales	50,000,000	85,000,000	185,000,000
Cost of Goods Sold	(28,500,000)	(32,750,000)	(89,472,000)
Gross Profit	21,500,000	52,250,000	95,528,000
Selling Expenses	9, 830,000	11,375,000	18,875,000

General Expenses	1, 267,900	4,830,000	15,902,000
Total Operating Expenses	10, 097,900	16,205,000	34,777,000
Operating Income	11,402,100	36,045,000	60,751,000
Other Income	850,000	935,000	1,275,000
	12,252,100	36,980,000	62,026,000
Other Expenses	256,500	875,000	1,500,000
Income Before Tax	11,995,600	36,105,000	60,526,000
Income Tax	550,000	1,600,000	3,300,000
Net Income	11,445,600	34,505,000	57,226,000

Summary for project revenue, Expenses and Profit for the next five years in TZSH

Year	2023 tsh	2024	2025 (Tshs)	2026 (Tshs)	2027(Tshs)
Revenue	388,000,000	474,000,000	682,000,000,000	750,000,000	955,000,000
Expenses	375,000,000	405,000,000	503,000,000	450,000,000	600,000,000
Profit	13,000,000	74,000,000	178,000,000	300,000,000	355,000,000S

11. ACKNOWLEDGEMENT

WENDECE is committed to establish winery industry in Hombolo Bwawani in Dodoma region. The company cannot fulfil this objective without support from Financial Institution. WENDECE Company is therefore, dedicated to be the leading middle winery industry in Dodoma and contribute immensely in the supply value chain of winery and grape production in the region.

Submitted

Mr. Evarist Majuto Maganga Managing Director